Commissioner Jonathan S. Adelstein TV Week Magazine Guest Commentary October 30, 2006

Earlier this month in Los Angeles, the FCC held the first of six full-commission public hearings on our broadcast media ownership rules. As an FCC commissioner, I'm obligated to review and, if necessary, modify the current rules to ensure that they promote competition, localism and diversity

The public hearing was truly an exercise in American democracy. Over 800 people attended the first session of the hearing at University of Southern California and the second session at El Segundo High School. All five members of the commission attended and we all listened patiently, critically and with open minds. While some unfortunately may argue the hearing was "filled with invective and emotion," what we heard was heartfelt testimony from many articulate, well-informed Americans from diverse backgrounds on myriad issues. What may upset critics is that only one out of hundreds from the audience encouraged the commission to relax our rules to permit greater media consolidation.

This should not come as a surprise, as it reflects the broader public consensus against further media concentration. The American people are truly passionate about their news, information and entertainment programming. Let us not forget, the public has a constitutionally-based right to have "suitable access to social, political, esthetic, moral and other ideas and experiences" over their airwaves. The Supreme Court has held it is in the interest of our democracy to ensure that there is the widest possible dissemination of information from "diverse and antagonistic" sources.

Notwithstanding this constitutional right, we learned that many members of the creative community are dissatisfied with the current level of access. We heard award-winning directors, producers, actors, musicians and writers recount their experiences about how a concentrated media industry has stifled content creation, talent development and entrepreneurship. We heard that the elimination of programming source-diversity protections such as the financial interest and syndication rules have especially harmed independent production, quality entertainment programming and employment opportunities.

We heard a similar message about radio: Media consolidation has harmed new and emerging recording artists, as well as local music communities. R.E.M. bassist Mike Mills said, "Radio conglomerates have taken the 'local' out of local radio to such a degree that, by and large, radio in Atlanta sounds like radio in Denver, Los Angeles, Nashville, or Washington D.C."

One producer and writer recounted her story about pursuing the American dream, arriving in L.A. in an old Ford with a rooftop U-Haul carrying everything she owned. As the granddaughter of a mixed-blood Native American sharecropper, she suffered, worked hard and achieved some success, but only to find herself in circumstances much like her grandfather's: She works the land, but will never able to own the crop. On the same point, actress Anne Marie Johnson informed the commission that the consolidated media market had drastically limited TV

actors' ability to negotiate a competitive salary. The Writers Guilds (discussed the pernicious symptoms of media consolidation: rampant commercialism, the homogenization of programming and the degradation of news quality.

We learned that over the years the major television networks have all purchased production studios that were formerly independent suppliers of scripted entertainment programming. According to the Directors Guild, from 1992-93 to the current season, the share of network prime-time television created by independent producers has fallen from 66 percent to 24 percent, while the share of prime-time programming owned and controlled by the networks and their affiliates has grown correspondingly from 38 percent to 76 percent.

As director and producer Taylor Hackford told the commission, it is an irrefutable fact that the diversity of sources in prime-time broadcast programming is vastly reduced today. And, based on GE/NBC's recent announcement that it plans to reduce scripted programming in the 8 p.m. slot, to slash its workforce and news operations and to rely more heavily on in-house production, the choices of quality shows and sitcoms for viewers and the opportunities for independent producers, directors, television actors and writers will likely diminish.

I recognize that the media marketplace has changed and will continue to change. To mention a few realities: television programming is extremely competitive; network series can get pulled after a few weeks of modest success; Wall Street expects broadcasters to post Google-like profits; and the television audience has fragmented. But can we honestly argue that owning three television stations, instead of two, in one local market would improve the quality of news and entertainment programming? I think not. That's why I applaud, for example, the visionary leadership of Disney to make substantial investments in "new media" and not advocate for future relaxation of the rules.

The FCC's review of the broadcast media ownership rules is about our democracy, which doesn't appear on corporate balance sheets. Media companies do not have a right to own more radio and TV stations than they need to affirmatively promote localism, competition and diversity to the fullest extent.

Wall Street demands a good return on its media investments. Our job on the FCC is to demand a good return to the public, as well, in exchange for the free use of the airwaves.